

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.G
Mtg. Date May 17, 2016
Dept. Public Works

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2016-2017

Staff Contact: Mike James, Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2016-2017 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2016.]

Item Summary:

[The Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 was created in September 1997, pursuant to the provisions of the Landscaping and Lighting Act of 1972. The District includes 46 properties.

The engineer's report was presented and approved by the City Council on September 2, 1997. In order to pay for maintenance of the landscaped areas, the assessment may be adjusted annually by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), within a maximum cap of \$335 per parcel.

Staff recommends a 3 percent increase in the assessment for Fiscal Year 2016-2017. The staff report (**Attachment A**) details the reasons and the proposed budget for the Wildflower Landscape Maintenance Assessment District.]

Fiscal Impact:

[The FY 2016-2017 budget anticipates revenues of \$9,477 and expenditures totaling \$9,300.]

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.G

Mtg. Date May 17, 2016

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2016-2017

Staff Contact: Mike James, Public Works Director

Discussion:

On September 2, 1997, the City Council created the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 (District), pursuant to the provisions of the Landscaping and Lighting Act of 1972. At that meeting, an engineer's report detailed the need for an assessment in order to pay for the maintenance of the landscaped areas. The District includes 46 properties located along both sides of Gold Lake Road, Blue Lake Court, Long Lake Court, and Green Lake Court.

Each year, the City Council may increase the annual assessment by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), with a maximum cap of \$335 per parcel. As reported in March 2016 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.4% during the prior 12 months.

During the establishment of the Fiscal Year 2016-2017 (FY 2016-17), city staff continues to monitor the reserve balance goal of \$11,550 that was established in FY 2014-15. The reserve balance goal equals one-year of anticipated expenditures plus 40 percent of operational expenditures. During the FY 2016-17 District budget process, staff had to address a need related to maintaining the District tree inventory. During FY 2015-16, West Coast Arborists (WCA), the City's contracted tree maintenance contractor, performed one call out that resulted in a cost of \$660. At staff's request, WCA evaluated the 49 trees that existing in the District area. Accounting for the two tree types [Pinus Canariensis (Canary Island Pine) and Pinus Eldarica (Elder Pine)] and recommended trimming cycle [biennial]. WCA recommends that \$2,500 should be allocated to manage existing inventory. This amount reflects the recent prevailing wage increase WCA had to implement due to the Department of Industrial Relations recent actions. Staff believes that this budget estimate is reasonable and should accommodate the necessary pruning needs of the tree inventory.

Unless WCA's contractual estimate decreases, staff will continue to recommend funding this line item until the \$2,500 is reached, after which the remaining funds will be programmed to meet the reserve goal.

Attachment A

For the reasons stated previously, staff recommends a 3 percent increase in the assessment from \$200.04 to \$206.04 during FY 2016-17, which equals the greater of 3 percent or the percentage increase of the CPI. The following District budget was prepared to reflect staff's recommendation.

FY 2016-17 Budget Descriptions	Balance
<i>Beginning Fund Balance</i>	\$4,900
<i>Revenue</i>	
Annual Assessment Revenue	\$9,400
<i>Expenditure</i>	
Salaries – Regular	(\$4,550)
Benefits	(\$1,000)
Contract Services (Landscaping)	(\$1,700)
Contract Services (Tree Maintenance)	(\$1,000)
SDG&E	(\$100)
Helix Water	(\$850)
Transfer to City for Admin & Operations	(\$100)
Ending Fund Balance	\$5,000

At the end of FY 2016-17, staff anticipates an unallocated amount of \$100 which will be applied to meeting the Districts reserve goals of \$11,550. Staff will continue to monitor the fiscal stability of the District each year, paying close attention to the expenditures made and the need to adjust the annual assessment in order to safeguard the District's fiscal health.

Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2016-17 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2016.

Attachment B

RESOLUTION NO. 2016 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS WITH THE LEMON GROVE WILDFLOWER LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 97-1 FOR FISCAL YEAR 2016-2017

WHEREAS, on September 2, 1997, the City Council adopted Resolution No. 1805, declaring the results of a property owner protest proceeding held in the Lemon Grove Wildflower Landscaping Maintenance Assessment District 97-1 (District); and

WHEREAS, the engineer's report for the District, approved by Resolution No. 1804, on file with the City Clerk, gives a full and detailed description of the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the City Council desires to increase the assessment against parcels of land with the District for the fiscal year commencing on July 1, 2016 and ending June 30, 2017, to pay the expenses of operating, maintaining and servicing landscaping and appurtenant facilities located within public places in the District; and

WHEREAS, the City Council has determined that a 3 percent increase in the annual assessment will be needed for Fiscal Year 2016-2017.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Sets the assessment rate for Fiscal Year 2016-2017 in the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 at \$206.04 per parcel; and
2. Directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2016.

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